

Message Text

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PAGE 01 BRASIL 00500 201232Z

17

ACTION ARA-10

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 0000

INFO AMEMBASSY CARACAS

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 0500

E.O. 11652: N/A

TAGS: ETRD, BR

SUBJECT: PRESIDENT GEISEL'S LETTER TO PRESIDENT CARLOS ANDRES
PEREZ ON TRADE REFORM ACT

SUMMARY: FOLLOWING IS INFORMAL TRANSLATION OF PRESIDENT
GEISEL'S REPOSENSE TO VENEZUELAN PRESIDENT ON SUB-
MISSION OF TRADE REFORM ACT TO OAS PERMANENT COUNCIL, AS
RELEASED FRIDAY, JANUARY 17. END SUMMARY.

BEGIN TRANSLATION.

I HAVE THE HONOR TO ACKNOWLEDGE RECEIPT OF THE
LETTER OF JANUARY 7TH, IN WHICH YOU EXCELLENCY, AFTER
EXPLAINING THE POSITION OF YOUR GOVERNMENT WITH RESPECT
TO THE TRADE REFORM ACT RECENTLY ENACTED BY THE UNITED
STATES, PROPOSES THAT THE SUBJECT BE BROUGHT TO THE
ATTENTION OF THE PERMANENT COUNCIL OF THE ORGANIZATION
OF AMERICAN STATES AND, POSSIBLE, OF A CONSULTATIVE
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PAGE 02 BRASIL 00500 201232Z

MEETING OF THE FOREIGN MINISTERS.

AFTER HAVING MADE AN ANALYSIS - STILL PRELIMINARY - OF THE AFOREMENTIONED LAW, THE BRAZILIAN GOVERNMENT WAS ABLE TO IDENTIFY THE EXISTENCE OF CLAUSES THAT CAN GRAVELY PREJUDICE THE DEVELOPING COUNTRIES. AMONG THESE (CLAUSES), YOUR EXCELLENCY POINTS OUT THE RETALIATORY MEASURES AGAINST THOSE (COUNTRIES) THAT PARTICIPATE IN AGREEMENTS OR UNDERSTANDINGS OF EXPORTERS OF RAW MATERIALS. ALONG WITH THESE, EQUALLY SERIOUS SEEM TO ME THE PROVISIONS ON COUNTERVAILING DUTIES AND OTHER FORMS OF PROTECTION TO CERTAIN AMERICAN INDUSTRIES, WHICH REPRESENT A GRAVE THREAT TO BRAZILIAN AND LATIN AMERICAN INTERESTS. FOR THIS REASON, MY GOVERNMENT IS IN AGREEMENT THAT THE SUBJECT BE RAISED IN THE PERMANENT COUNCIL OF THE ORGANIZATION OF AMERICAN STATES AND, IF IT SHOULD BE CONSIDERED NECESSARY, IN A CONSULTATIVE MEETING OF THE FOREIGN MINISTERS, CONVOKED UNDER THE TERMS OF ARTICLE XII OF THE CHARTER OF THE ORGANIZATION OF AMERICAN STATES. WITH RESPECT TO THIS, PERMIT ME TO POINT OUT, WITH SATISFACTION, THAT THE POSITION OF THE BRAZILIAN GOVERNMENT COINCIDES WITH THAT OF YOUR EXCELLENCY IN THE SENSE OF SEEKING THE STRENGTHENING OF THE INTER-AMERICAN SYSTEM THROUGH THE ITS INSTITUTIONAL ORGANS.

IN REPLY TO THE REQUEST IN THE FINAL PART OF YOUR LETTER -- THAT I EXPRESS, SOONEST, MY OPINIONS ON MATTERS OF SUCH FUNDAMENTAL IMPORTANCE -- I HAVE TO SAY THAT, IN A GLOBAL CONTEXT, THE PASSAGE OF THE TRADE ACT OF THE USA, WHICH WILL MAKE POSSIBLE THE BEGINNING OF THE GATT MULTILATERAL TRADE NEGOTIATIONS, PRESENTS US WITH A CHALLENGE SIMILAR TO THE ONE PRESENTED BY THE CONFERENCES OF BRETON WOODS AND HAVANA. FOR THE DEVELOPING COUNTRIES, WITH BRAZIL AMONG THEM, IT PROVIDES, ABOVE ANYTHING ELSE, AN OPPORTUNITY TO CHANGE THE RULES THAT HAVE GUIDED WORLD ECONOMIC RELATIONS AND HAVE CLEARLY DONE INJURY TO THOSE (DEVELOPING) COUNTRIES. THE GRADUAL WEAKENING OF THE INTERNATIONAL ECONOMIC SYSTEM ABOVE MENTIONED -- AGGRAVATED AND ACCELERATED BY THE PRESENT BALANCE OF PAYMENTS DIFFICULTIES OF THE MAJORITY OF THE DEVELOPING COUNTRIES -- CONFERES, IN THE OPINION OF MY GOVERNMENT, SPECIAL IMPORTANCE TO THESE NEGOTIATIONS, OF WHICH THE US TRADE ACT IS THE CENTERPIECE.

FROM THE BRAZILIAN POINT-OF-VIEW, THEN, A GENERAL

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PAGE 03 BRASIL 00500 201232Z

EVALUATION OF THE POSITIVE OR NEGATIVE ASPECTS OF THE TRADE ACT MUST TAKE INTO ACCOUNT TO WHAT EXTENT IT REPRESENTS A MANDATE TO PROMOTE A REFORMULATION OF THE PRESENT RULES OF INTERNATIONAL ECONOMIC RELATIONS -- SECURING IN PARTICULAR PREFERENTIAL AND MORE FAVORABLE TREATMENT FOR DEVELOPING COUNTRIES -- WITHOUT EXCEPTIONS -- OR A REAFFIRMATION OF TRADITIONAL POSITIONS, TENDING TO FREEZE THE PRESENT DISTRIBUTION OF INTERNATIONAL WEALTH AND ECONOMIC POWER.

UNFORTUNATELY, THE RESTRICTIONS WHICH WE HAVE IDENTIFIED
SUPPORT THE SECOND ALTERNATIVE.

FOR ALL THESE REASONS AND RECOGNIZING THAT LEGITIMATE
INTERESTS OF LATIN AMERICAN COUNTRIES ARE BEING THREATENED,
THE BRAZILIAN GOVERNMENT ACCEPTS THE PROPOSAL MADE
BY THE GOVERNMENT OF VENEZUELA, TO TAKE THIS SUBJECT
BEFORE THE INSTITUTIONAL ORGANS OF THE INTER-AMERICAN
SYSTEM.

I TAKE THE OPPORTUNITY TO PRESENT TO YOUR EXCELLENCY
MY WARMEST REGARDS. (END OF TRANSLATION)
CRIMMINS

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